



FY 2009-2010 Annual Action Plan



EXECUTIVE SUMMARY

PURPOSE

The Action Plan is a requirement of the Department of Housing and Urban Development (HUD) as a condition of receiving funding under certain federal programs. The goal of the Plan is to extend and strengthen partnerships among the public and private sectors to provide decent housing, establish and maintain a suitable living environment, and expand economic opportunities.

BACKGROUND

The City of Durham is the recipient of a yearly allocation of Community Development Block Grant (CDBG) funds and Emergency Shelter Grants (ESG) from the U.S. Department of Housing and Urban Development (HUD). The Durham Consortium, consisting of a partnership between the City and County of Durham, is an annual recipient of HOME Investment Partnership funds (HOME) and the American Dream Down Payment Initiative. Funds received by the City and the Consortium are managed by the City's Department of Community Development (DCD).

As a condition of receiving these funds each fiscal year, the City of Durham develops the Annual Action Plan for submittal to, and approval by, HUD. Each completed Annual Action Plan details how the HUD funds will be invested to address needs as described in the 5-Year Consolidated Plan. The Consolidated Plan is a HUD approved document for the City and the County that sets broad strategic goals and priorities and defines needs as they relate to community development and housing. Durham's Consolidated Plan covers the years 2005-2010. At adoption, each Annual Action Plan becomes a part of the Consolidated Plan. Durham's FY 2009-2010 Annual Action Plan covers the fifth year of the 2005-2010 Consolidated Plan.

In the past year, the City has continued its efforts at revitalizing neighborhoods with a focus on homeownership and code enforcement in targeted neighborhoods. The Department has maintained a partnership with several non-profits dedicated to increasing the quality of housing. In South West Central Durham, efforts are coordinated through the Quality of Life Committee. The Department has also continued its efforts in Northeast Central Durham in conjunction with the Durham Housing Authority's ongoing HOPE VI project and the NECD leadership.

The Rolling Hills/Southside area represents the third neighborhood targeted by the City for revitalization. It is anticipated that acquisition and relocation activities within Rolling Hills will be completed near the latter part of 2009. Planning for the larger redevelopment/revitalization effort is expected to commence by mid-2009.

The needs that were identified in the Consolidated Plan as a priority are under two categories:

Housing development:

- Neighborhood Stabilization and Revitalization;
- Special Needs Housing;
- Homeownership; and
- Housing Rehabilitation and Repair.

Public and Social Services:

- Homeownership counseling;
- Programs benefiting youth and young adults;
- Programs benefiting ex-offenders;
- Programs benefiting homeless persons; and
- Programs benefiting other special needs populations.

Federal Resources

The FY 2009-2010 Annual Action Plan includes activities to be funded from July 1, 2009 to June 30, 2010 with the following sources of Federal funds:

Community Development Block Grant	
Grant #B-09-MC-37-0004	\$ 1,900,004
Estimated Program Income	195,000
CDBG Estimated Total	2,095,004
HOME Investment Partnerships	
Grant#M-09-DC370205	1,246,000
Estimated Program Income	250,000
HOME Estimated Total	1,496,000
American Dream Down Payment Initiative	12,377
Emergency Shelter Grant	84,684
Total Federal Resources Estimated	\$ 3,688,065

Other Resources-Estimated

In addition to the funds listed above, the City currently anticipates the following estimated resources in general support of community development and housing priorities as reflected in the Consolidated Plan:

1996 Housing Bond Program Income	\$ 750,000
Non-City Agency Program (General Fund)	743,270
Durham County Non-Profit Awards	852,000
Continuum of Care Funding	779,284
Total Other Sources <i>Estimated</i>	\$ 3,124,554

1996 Housing Bond Program Income: Original proceeds from the 1996 Housing Bond Program have been expended. However, the City receives approximately \$750,000 in bond funded repayments during FY 09-10. A portion of these funds will be used to support the City Homeownership Assistance Program and to fund acquisition and relocation activities within the Rolling Hills development.

Non-City Agency Funding: As part of the City's annual budget process, approximately \$743,270 is awarded to 501(c)3 organizations in the Non-City Agency program. Each program funded must support one of Council's eight goals, at least three of which are related to community development and housing. Actual grant funding for a given year is based upon funds appropriated by the Council. This program is managed by the City's Office of Budget and Management Services.

Durham County Non-Profit Awards: As part of the County's budget process each year, approximately \$852,000 is awarded to 501(c)3 organizations to support County Commission goals. At least three of the goals are related to community development and housing. Actual grant funding for a given year is based upon funds appropriated by the Commission. This program is managed by the County.

Continuum of Care: HUD has allocated \$779,284 in funding to implement strategies to end homelessness. The lead applicant for these funds is the Durham Affordable Housing Coalition and they have solicited proposals from homeless service providers that support the 10-Year Plan to End Homelessness as developed by the Council to End Homelessness. This program is managed by the Council to End Homelessness in Durham, which is staffed by the Durham Affordable Housing Coalition.

Leverage

In an effort to maximize the impact of federal funds received by the City, all applicants seeking an award of either CDBG, HOME or ESG from the City were required to commit leveraged funds to the given project or program as follows:

- Public Service/Non-Construction Projects: \$1 for \$1 match.
- Housing Development: \$2 for each \$1 in HOME or CDBG requested.
- ESG: \$1 for \$1 match.

Geographic Distribution

The City has no HUD-designated Neighborhood Revitalization Strategy Areas. However, it has designated three priority neighborhood areas for revitalization or redevelopment efforts.

- Southwest Central Durham: With the assistance of Duke University's Office of Community Affairs, several non-profit developers, guided by the Quality of Life Committee, have made significant commitments to this area, which is contained within Census Tract 5, a majority low-to moderate-income census tract. Included in this Annual Action Plan are recommended awards to Self Help CDC, Habitat for Humanity and Builders of Hope to continue with the purchase of properties from a land bank for redevelopment or renovation.

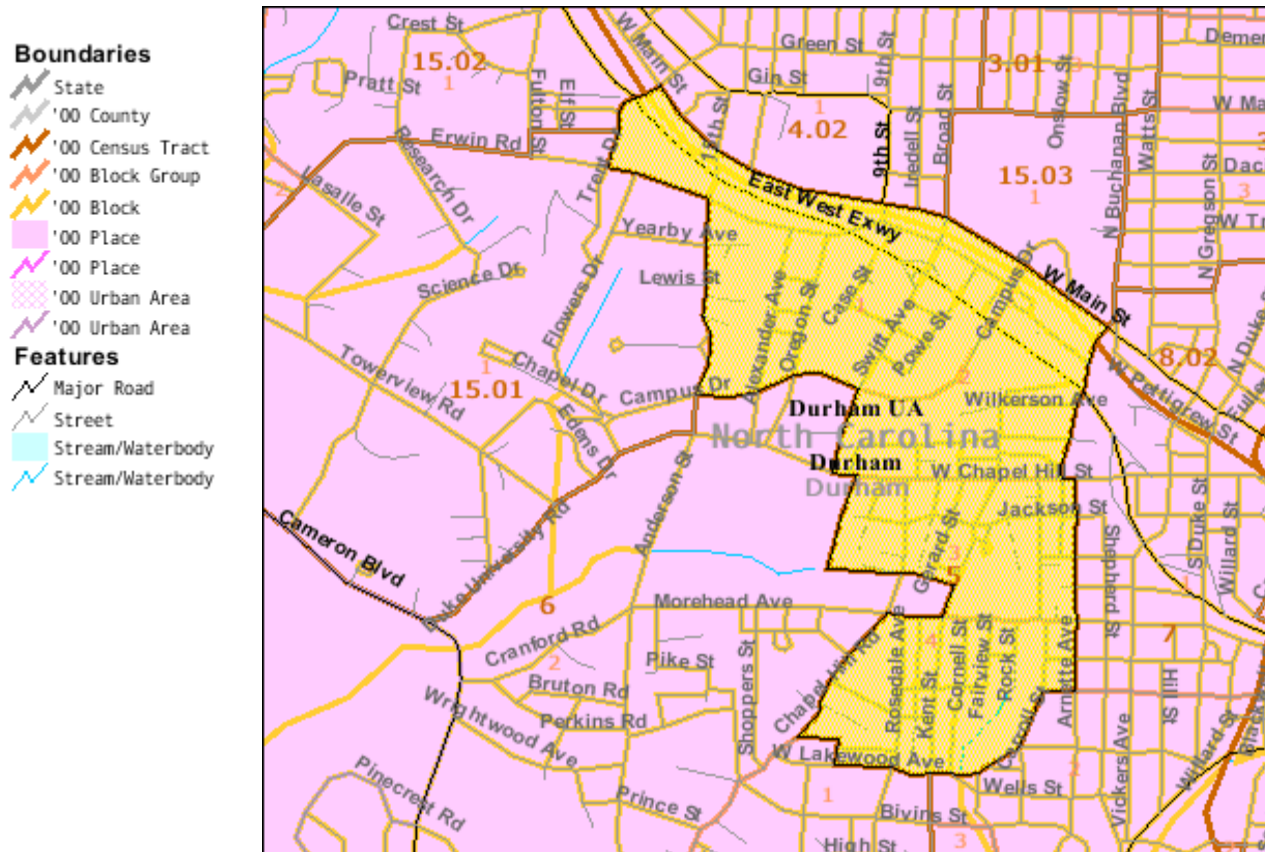
The three neighborhoods targeted in Southwest Central Durham – Burch Avenue, Lyon's Park and the West End – correspond roughly to the boundaries of Census Tract 5. Since 1999, when the 2000 Census was conducted, significant progress has been made by the City's partners in the area in the elimination of vacant and dilapidated housing and the construction of new homes for first time homebuyers. At the time that the Census was taken, only 14 percent of the households within Census Tract 5 as a whole were homeowners and the poverty rate was 38%. Since 2000, the homeownership rate in the area has increased by 12% through the demolition of vacant dilapidated properties and the construction of new energy-efficient replacement homes for low to moderate income households.

Other general demographics include:

The City's continued focus on this area also leverages previous investments made by the City, including the redevelopment of the Lyon Park Community Center, in which the City made an investment of \$6,000,000.

Census Tract	Population	White	African American	Hisp.	HSG Units	Vacant	Rent	Med HH Income	Poverty Rate
5.0	4,273	29%	57%	13%	1,975	10%	86%	\$ 21,144	38%

Southwest Central Durham Map



Northeast Central Durham (NECD)

Improving the lives of residents in Durham's Northeast Central Durham (NECD) neighborhood is one of the City's greatest challenges not only because of the multitude of the issues which must be addressed, but also because of the geographic expanse of the distress. Located next to Durham's re-emerging downtown, its population is comprised of 75% African-Americans, 18% Latino/Hispanic, 6% White and 1% other. The foundation for the redevelopment in the larger NECD neighborhood has been laid largely in the HOPE VI project areas where approximately 43 million dollars in public and private funds have been invested to date. Both affordable and market-rate rental units have been completed to date including the City's 46-unit Eastway Village which was selected by the North Carolina Housing Finance Agency as the outstanding homeownership project in the state for 2009.

The old vacant Holton School is being redesigned to house a Wellness Center, school training programs, and recreation activities for the entire district. The Holton Career and Resource Center (HCRC) is on schedule for occupancy in July 2009. The NECD Leadership Council is engaged in program design for students at HCRC and outreach

Although the boundaries of Census Tract 10.1 and the NECD Revitalization Plan are only an approximate match, the data provided by the Census clearly indicate the need for the efforts being undertaken within that area. As the chart below indicates, the most notable indicators are the high rate of poverty, low household income and a low rate of homeownership.

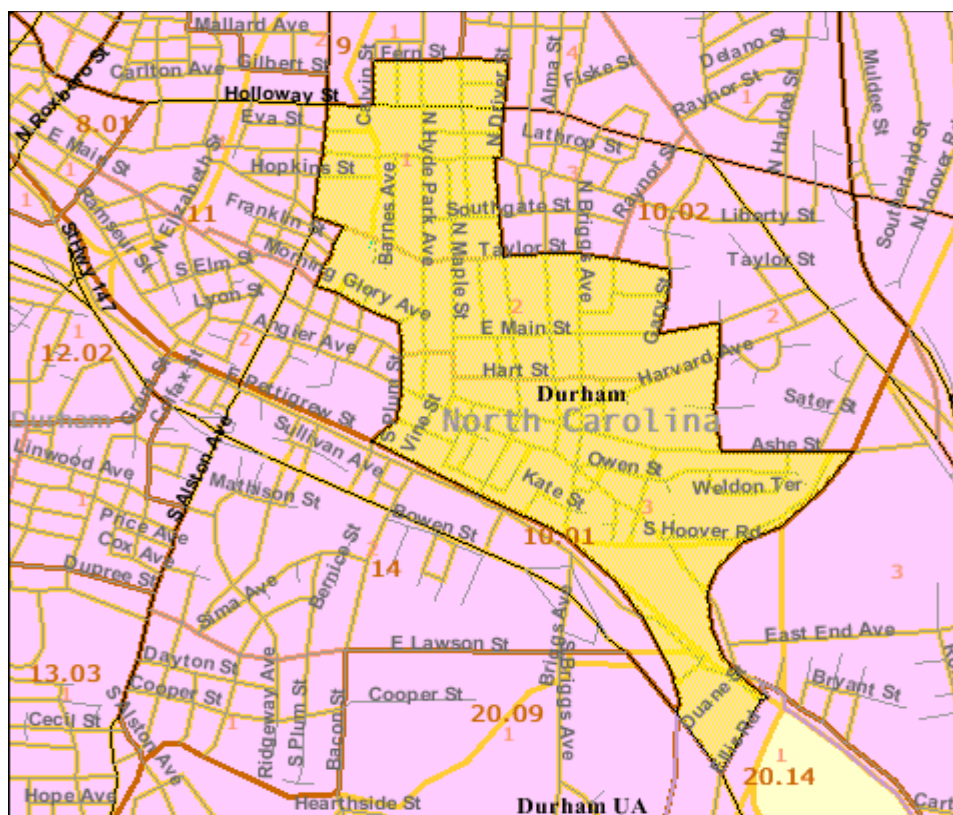
Census Block	Population	White	African American	Hisp.	HSG Units	Vacant	Rent	Med HH Income	Poverty Rate
10.1	1168	17%	73%	16%	412	7%	66%	\$ 27,727	25.08

Boundaries

- State
- '00 County
- '00 Census Tract
- '00 Block Group
- '00 Block
- '00 Place
- '00 Place
- '00 Urban Area
- '00 Urban Area

Features

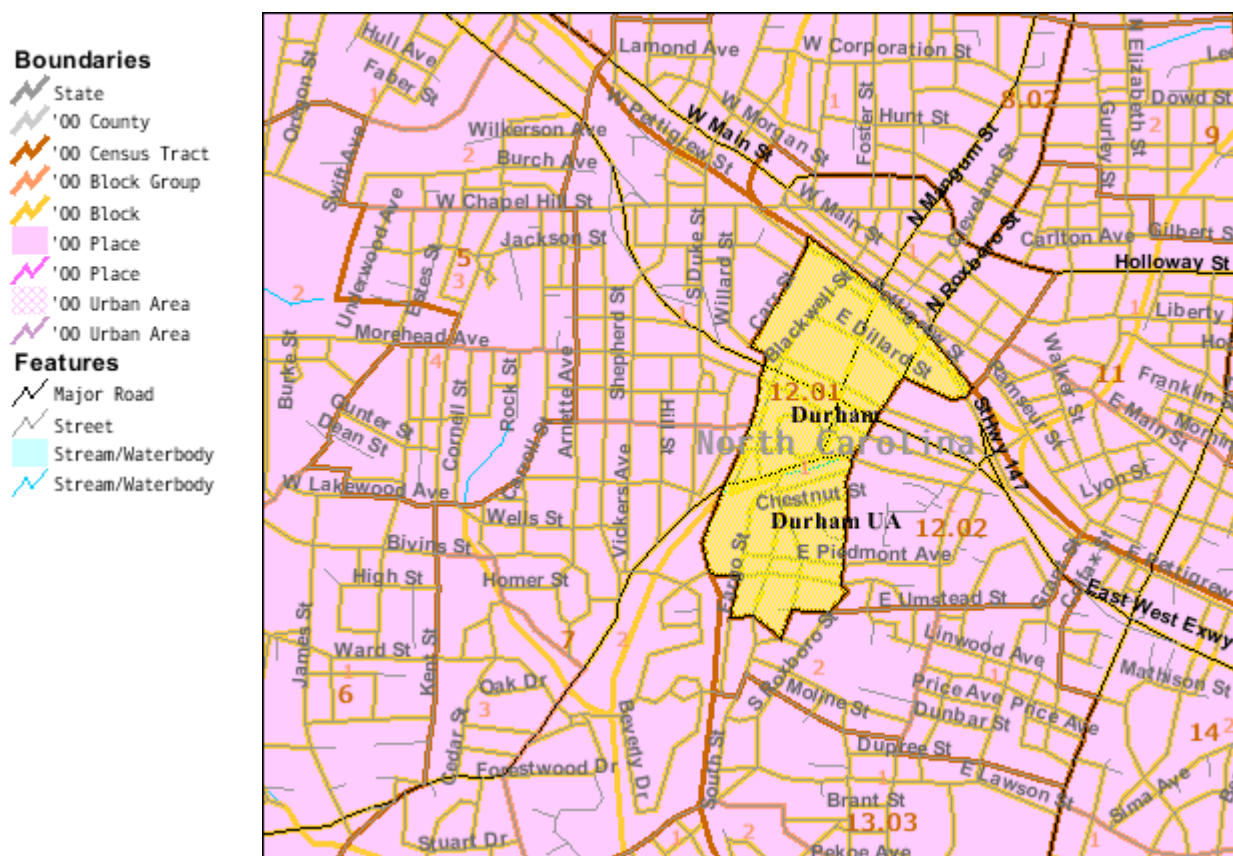
- Major Road
- Street
- Stream/Waterbody
- Stream/Waterbody



Rolling Hills/Southside: Significant portions of the Southside community fall within Census Tract 12.01. For FY 09-10, major activities to be undertaken consist of the preparation of the development plan for the area and the acquisition of the remaining privately-owned properties within Rolling Hills and the relocation of affected residents. Both activities are funded with 1996 housing bond program income. It should be noted however that planning area boundaries will be determined through the pending planning process. Both the Census Tract map and the Census data are provided here for purpose of providing indicators of neighborhood distress, poor housing conditions and poverty. As noted below, at the time of the 2000 Census, 16 percent of the housing stock was vacant and the vacancy rate has continued to climb. The area also has a high rate of poverty and a very low rate of homeownership.

Census Block	Population	White	African American	Hisp.	HSG Units	Vacant	Rent	Med HH Income	Poverty Rate
12.01	1,459	4%	87%	8%	473	16%	83%	\$ 20,982	29%

Southside/St. Theresa Map



Citizen Participation and the Process

The City's Department of Community Development (DCD) is tasked with implementing City initiatives related to community revitalization, development and affordable housing and thereby, with managing the City and County's use of CDBG, HOME and ESG funds. In preparing for FY 2009-2010, the City abided by the following schedule:

FY 2009-2010 Schedule

October 15 & 18, 2008	FY 2009-2010 Application for Federal Funding Workshop Advertised
November 5, 2008	Application Workshop and Release of Application
December 19, 2008	Application Deadline by 4:00 PM
December 27, 2008	Needs Public Hearing Advertised in the Carolina Times
January 10, 2009	Needs Public Hearing Advertised in the Herald Sun
January 21, 2009	Public Hearing on Community Development Needs at City Council
January 26, 2009	Public Hearing on Community Development Needs at County Commission
February 25, 2009	Internal Review of Applications by DCD Staff
March 9, 2009	DCD presentation of initial funding recommendations to CAC
March 18, 2009	Draft Annual Action Plan Advertised in the Herald Sun
March 21, 2009	Draft Annual Action Plan Advertised in the Carolina Times
March 23, 2009	CAC Meeting to discuss Applications and Rankings
April 2009	Presentations to PACs and other interested parties on proposed Annual Action Plan
April 6, 2009	City Public Hearing on Annual Action Plan
April 13, 2009	County Public Hearing on Annual Action Plan
May 4, 2009	City Council vote to adopt Annual Action Plan
May 11, 2009	County Commissioners to adopt Annual Action Plan
May 15, 2009	Submission to HUD

As the schedule above reflects, DCD sought citizen input into the development of the Annual Action Plan:

- Application Workshop, November 5, 2008. The development of the Annual Action Plan began by running an advertisement in the Durham Herald Sun notifying the public and interested parties that the City was sponsoring a workshop to discuss the application process for CDBG, HOME and ESG funds. The advertisement was published on October 15, 2008 in the Herald Sun and on October 18, 2008 in the Carolina Times. Approximately forty-three individuals attended the workshop.
- "Needs" Public Hearing, January 21, 2009 at City Council and January 26, 2009 at County Commissioner meeting. Prior to holding the public hearings, two advertisements were published, one in the Herald Sun on January 10, 2009 and another in the Carolina Times on December 27, 2008.

In addition, City staff attended neighborhood Partners Against Crime Meetings to discuss the upcoming Annual Action Plan.

- 2nd Public Hearing, April 6, 2009 at the City Council meeting and April 13, 2009 at County Commission Council meeting. Prior to holding the public hearings two advertisements were placed, one in the Herald Sun on March 18, 2009 and another in Carolina Times the on March 21, 2009.
- Citizens Advisory Committee. The Citizens Advisory Committee (CAC) is a group of 15 individuals appointed by the City Council (12 members appointed) and County Commission (3 members appointed) to assist in “facilitating citizen participation” with regard to CDBG and HOME. The CAC considered all applications submitted, as well as the Department’s final funding recommendations.
- Partner’s Against Crime District Meetings. The City of Durham is divided into five Partner’s Against Crime (PACs) Districts with each holding a meeting once a month. These have historically served as an organizational point for neighborhoods and as an opportunity for the City to provide information to residents. During April 2009, DCD representatives attended PAC meetings to inform residents about the funding recommendations that were being made to council.
- Public Hearings. Per the Citizen Participation Plan outlined in the Consolidated Plan and required by HUD, two public hearings were held at City Council and two were held at the Board of County Commissioners.

Public Comments

- Public comments are located in Appendix A.

Objectives and Activities

The Consolidated Plan clearly prioritizes efforts at developing and preserving affordable housing and will target the following needs:

- Neighborhood Stabilization and Revitalization;
- Special Needs Housing;
- Homeownership; and
- Housing Rehabilitation and Repair.

Homeowner’s Purchase Assistance Programs. The Homebuyer Purchase Assistance Programs seek to improve on the City’s historically low-rate of homeownership by providing second mortgage down payment assistance to qualified first-time homebuyers that have secured or will secure private financing for the purchase of a home. The Homebuyer Purchase Assistance Programs provide second mortgages up to 20% of the sales price of the home or no more than \$20,000 at 2% over 30 years. To

encourage investment in targeted neighborhoods, the City of Durham created a Neighborhood Incentive Program (NIP). This program helps to eliminate a major obstacle in the purchase of older homes. HUD regulations require that when its funds are used for the purchase of a home built prior to 1978, the home must be tested for lead-based paint and any hazards abated. Under the Neighborhood Incentive Program, income eligible households will be able to purchase a home built prior to 1978 located in a central city neighborhood and receive a second mortgage loan of up to \$30,000 and a grant for lead hazard abatement of up to \$16,000. If the home is located in a central city neighborhood and was built after 1978, the amount of the second mortgage loan will be up to \$25,000.



Eastway Village Community Single-Family Units and Condominium Homes
Purchased through the Assistance Program

Housing Rehabilitation. This activity provides priority assistance under two distinct programs. The combined CDBG and HOME funding for this activity will allow for the rehabilitation of approximately 15 homes.

- **Elderly and Disabled Housing Rehabilitation Program.** Deferred, forgivable loan amortized for up to 10 years for elderly and disabled owner-occupants located throughout the city whose income is at or below 50% of the area median to address a housing unit that has at least three severe conditions. The maximum amount per unit is \$35,000 except for houses that meet prescribed special conditions.
- **Owner-occupant Housing Rehabilitation Program.** To encourage the preservation and renovation of the City's housing stock, the City offers owner-occupants whose income is at or below 80% of the median assistance up to \$50,000 in the form of a repayable 2% loan amortized for up to 20 years. At completion of the rehab, the unit must have a remaining useful life of not less

than 30 years. All loans must be affordable to the occupant and are underwritten by the City.

Urgent Repair Program. This program serves elderly or disabled owner-occupants with incomes at or below 50% of the area median. Improvements are limited to conditions which pose an imminent threat to the health or safety of the occupants or which limit accessibility to the unit. Assistance is in the form of a grant not to exceed \$7,500. CDBG funds in the amount of \$ 200,000 will allow for the repair of approximately 25 homes.

Energy Efficient/Weatherization Program. In partnership with Operation Breakthrough, approximately 12 houses will receive repairs and upgrades to improve the energy efficiency of the house. This program is supported with \$40,000 in CDBG funds. It also anticipated that Operation Breakthrough will received additional weatherization funds as a part of the economic recovery initiative.

Code Enforcement. Two of the City of Durham's priority goals are: Every citizen in Durham has access to adequate, safe, and affordable housing, and Durham citizens enjoy a healthy environment. The Department of Community Development partners with the Code Enforcement Division of the Department of Neighborhood Improvement Services to assist with its priority to revitalize and to stabilize neighborhoods by addressing blight, nuisances and maintaining a clean environment in low-income neighborhoods. Specifically, Code Enforcement works to reduce substandard housing and unsafe structures, to decrease the number of individuals residing in substandard housing, to decrease the number of abandoned, junked and hazardous vehicles, and to decrease the number of trash/debris/weedy lots located within the City. In accordance with CDBG regulations, the City will use \$451,170 in CDBG funds to support code enforcement efforts to promote and to maintain a safe and healthy living and working environment in low-income neighborhoods. It is projected that code enforcement staff will conduct 5,123 inspections in low-moderate income neighborhoods during FY 2009-2010.

Housing Counseling. To support the First-Time Home-Buyer Program, the City will continue its partnership with the Durham Affordable Housing Coalition and award them \$60,000 in CDBG funds to provide housing counseling to individuals seeking to become a homebuyer, individuals who have credit challenges, borrowers who are delinquent and/or to those borrowers who run the risk of foreclosure on their City-provided loan.

Housing Development. The City is supporting the following housing development projects:

- **Self Help.** An award of \$116,500 in HOME funds will support the acquisition of four lots, which will provide affordable housing opportunities to four families that are first- time homebuyers in Southwest Central Durham.

- Metropolitan Housing and CDC, Inc. An award of \$350,000 in HOME funds to subsidize the development of 8 units of housing in the price range of \$110,000 to \$131,000. The homes are projected to range in size from 1200 to 1456 square feet.
- Builders of Hope. An award of \$145,000 in HOME funds to offset the rehabilitation and construction cost of five properties in Southwest Central Durham.
- Durham Habitat for Humanity. An award of \$184,000 in HOME funds for the acquisition and associated demolition of five lots in the West End.

Resale/Recapture and Refinance Provisions

HOME funds will be used by the Durham Consortium to make loans for the rehabilitation program and the homeowner's assistance program.

Homeowner Rehabilitation Program. The homeowner rehabilitation program offers forgivable loans, pro rata over 15 years, to qualified applicants whose income is at or below 50% of the area median income (AMI). Applicant's whose income is over 50% AMI are offered loans at 2% amortized over 15 years. With regard to resale/recapture, the City requires payment of the amount left on the loan in the event the unit is sold. In all such cases, the period of affordability, as required by HUD, is adhered to:

The Section 8 income definition will be utilized with the Homeowner Rehabilitation Program.

Period of Affordability

HOME Investment Amt:	Minimum Affordability Period
Under \$15,000	5 Years
\$15,000 to \$40,000	10 Years
Over \$40,000	15 Years

- Homebuyer's Purchase Assistance Programs. For FY 2009-2010 the Consortium will provide second mortgage financing at 2% amortized over thirty years, payable in monthly installments, to income eligible low to moderate-income households.
- *Recapture provisions are applied consistent with 24 CFR 92.254.*
- *The Census Long Form income definition will be utilized with all city homeownership mortgage loan programs.*

- *The City will only allow refinancing of the first mortgage for the sole purpose of lowering the first-mortgage interest rate. The borrower cannot refinance to consolidate debts or receive cash at closing.*

ADDI Action Plan

American Dream Down Payment Initiative funds will be used as part of the City's Homebuyer's Assistance Programs, which provides down payment assistance to qualified homebuyers. An applicant whose income is at 80% AMI or below is eligible to receive up to 6% of the sales price with a maximum of \$10,000. The ADDI funds fall under the same governance of the HOME funds down payment assistance guidelines in the HOME rule.

The Homebuyer's Purchase Assistance Program is offered to potential homebuyers within the Consortium's jurisdictional boundaries. The ADDI funds/Homebuyer Program offers 2nd mortgages to the Section 8 Homeownership participants. The City of Durham partners with the Durham Housing Authority, offering down-payment assistance to Section 8 tenants who currently hold vouchers. The Durham Housing Authority assists the City with its marketing efforts to the persons in DHA's Self-Sufficiency Program, and the Section 8 Homeownership participants of public housing.

Fair Housing Activities

The City's Human Relations Department administers the City's Fair Housing Ordinance. The Fair Housing Program is responsible for enforcement of the City and Federal Fair Housing Laws; processing alleged cases of housing discrimination; conducting education and providing training on fair housing issues. The Fair Housing Ordinance of the City of Durham is equivalent to federal civil rights law. This enables the Department to contract with the U.S. Department of Housing and Urban Development and as a result receive funding for processing housing complaints and conducting education and outreach.

The Analysis of Impediments identifies a number of actions the City can take in order to affirmatively further fair housing. For the upcoming year, the City's Human Relations Department will play a critical role for the City with regard to ensuring the City's Fair Housing Ordinance is enforced. Fair Housing activities for 2009-2010 will include:

- Monthly Affordable Housing training;
- Daily community outreach;
- Fair Housing complaint intake;
- Fair Housing survey;
- Outreach to the Hispanic community through use of bilingual Spanish Fair Housing Coordinator.



Lender's Training – Fair Housing Presentation by
Department of Human Relations Staff

Affirmatively Further Fair Housing

Per Page 1 of the signed CPMP Non-State Grantee Certifications included in the Annual Action Plan, the City of Durham is committed to affirmatively furthering fair housing. The City will continue to implement several activities to overcome barriers to fair housing during FY 2009-2010:

- Continue to provide effective enforcement of Fair Housing Laws;
- Develop print and media campaign to provide education and outreach to a variety of groups on the Fair Housing law. Continue to work with other governmental and nonprofit agencies to develop programs to alleviate discrimination and further Fair Housing; and
- Increase support of financial literacy, first time homebuyer programs and anti-predatory lending campaigns in the community;
- Conduct Lender's and Realtor's Training with Fair Housing component;
- Distribute Fair Housing information with all First time Homebuyer's applications.

Geographic Areas (24 CFR 91.220(d) – Fair Housing Targeting. Because Durham is such a diverse community, no particular geographic areas are targeted for heightened fair housing awareness. Rather, fair housing information is disseminated citywide using local newspapers, the media and other means.

Program Specific Requirements (24 CFR 91.220(g) – Affirmative Marketing. To support the City's commitment to non-discrimination and equal opportunity in housing, the City of Durham makes special efforts to assure that housing programs assisted with federal or local funds are made widely known throughout the community. Efforts to disseminate

information include the use of minority newspapers, community organizations, social services agencies, the Durham Housing Authority and local churches. The City also provides information and outreach through the Citizen Advisory Committee and the five Partners Against Crime (PAC) districts.

The City's Human Relations Department employs a Spanish Language Humans Relations Specialist and disseminates fair housing literature in Spanish and conducts other outreach efforts to insure that Spanish-speaking persons are informed about fair housing laws and housing opportunities.

The Department of Community Development uses the Fair Housing logo on all publications and informational materials distributed to the public, and require CHDOs and other subrecipients of housing development funds to display the logo on publications and printed information pertaining to assisted projects.

The City will continue to make use of minority publications to inform the public of units available for sale and rent.

Lead Paint Abatement

The City will continue its efforts to reduce the number of housing units containing lead-based paint hazards in order to increase the inventory of lead safe housing available to the low-income population. Through the State of North Carolina, the City receives HUD Lead Abatement funding by way of a grant that runs through September 2009. Submittal of a new grant application by the state is anticipated, but the NOFA has not yet been issued. The City also tests all units scheduled for rehabilitation built prior to 1978 for lead and includes the lead abatement work as part of the scope of services completed by the contractor.

Public Housing

The Durham Housing Authority's (DHA) FY 2009 Annual Plan has been approved by the U.S Department of Housing and Urban Development.

Public Housing Highlights of DHA's FY 2009 Annual Plan:

- Establishment of preferences for admissions to public housing for involuntary displacement (disaster, government action, action of housing owner, inaccessibility, and property disposition.);
- Adoption of changes to admission policies to promote deconcentration of poverty and to assure income mixing by employing waiting list "skipping" for all developments;

- Establishment of flat rents for all developments utilizing fair market rents;
- Annual Statement for Capital Fund Program in the amount of \$3,622,114;
- Implementation of a HOPE VI Revitalization grant for our Few Gardens community;
- Identification of needs for measures to ensure resident safety and plans for crime and drug prevention activities;
- Resident Advisory Board participation

The DHA currently manages 1,851 public housing units and 2,749 Housing Choice Vouchers (HCV). The DHA authorized HCV baseline is 2,684. The DHA current waiting list as of March 9, 2009 is 1,930 for public housing and 684 for HCV.

As referenced in the highlights above, the Durham Housing Authority is currently undertaking the \$35 million HOPE VI project to revitalize Northeast Central Durham. The City of Durham and the Durham Consortium continue to support this effort.

HOMELESS AND OTHER SPECIAL NEEDS

On May 15, 2006, City Council adopted the 10-Year Plan to End Homelessness in Durham. The City Manager signed a 10-Year Plan Implementation Agreement between the City and County of Durham and Triangle United Way on November 30, 2006. Under this Agreement the City and County each funded half of the cost of the Plan's activities which were to be implemented by the Triangle United Way.

Both the City and the County subsequently approved activities and a budget for Year-3 of the plan, fiscal year 08-09. The City and County combined, pledged \$135,322 in funding. Year-3 activities began last fall and will be completed no later than June 30, 2009.

The activities in the second year of The Plan will take the next step toward achieving the Four (4) major outcomes of the Plan.

Outcome1:

Homeless people will have access to permanent affordable housing.

With funding provided by the City and other sources, Housing for New Hope projects the completion of Williams Square Apartments which will provide permanent housing for 24 formerly homeless individuals.

Outcome 2:

Those who become homeless are able to access needed services so they can be re-housed in permanent housing as soon as possible.

ESG and/or CDBG funds will be provided to Durham Crisis Response Center, Housing for New Hope, Urban Ministries of Durham and the Durham Interfaith Hospitality Network, all of whom provide supportive services to the clients they serve.

Outcome 3:

Homeless people will have the income necessary to obtain and sustain permanent housing.

As a part of case management for the homeless population, the Durham Center and numerous non-profit providers seek to ensure that individuals who qualify apply for an obtain SSI benefits. Coordination with job training programs and resources such as food banks and clothing closets are also a part of case management.

Outcome 4:

Individuals and families the most at risk of homelessness maintain permanent housing through comprehensive prevention activities.

Housing for New Hope will provide ESG Essential Services Support in an amount not to exceed \$24,484 for emergency financial assistance to households who have received eviction notices, foreclosure notices and/or notices of utility termination as a result of a sudden loss of income.

The Department reviews all projects considered for Continuum of Care (CoC) funding and issues a Certification of Consistency with the Consolidated Plan to be included with the CoC submittal to HUD.

As noted in both the Five-Year Plan and the Annual Action Plan, special needs housing is a high priority for the City. The Durham CoC has been successful in obtaining HUD Supportive Housing Program (SHP) funding for permanent housing. During the current year, the Life House of Durham was completed which provides 24 units of permanent housing to individuals with severe physical disabilities, as was the adjacent Maple Court Apartments which provides 24 units of transitional housing for formerly homeless Veterans. Both projects were developed by Volunteers of America of the Carolinas (VOAC).



Discharge Planning Policy Narrative

A lack of coordinated discharge planning by State institutions continues to create problems for Durham and other communities across NC. These institutions have consistently released clients that garner scarce resources from local housing and service providers. Members of the Council to End Homelessness (CEHD) did play a role influencing state policies that impact this population. This is reflected in the formation of a state level Discharge Planning Work Group (DPWG) established in November 2003. The DPWG membership includes representatives from the Department of Corrections, Health and Human Services, Juvenile Justice and Delinquency Prevention, the Housing Finance Agency and the Department of Commerce's Division of Community Assistance. During the past twelve (12) months, the DPWG explored connections between institutional data systems, policies, and practices and homelessness. The Work Group assessed how well institutional data systems were tracking homeless and housing status at intake and exit, the strengths and weaknesses of institutional staff awareness of community resources, and the best discharge practices from within North Carolina and other states.

The DPWG developed several recommendations for improved discharged planning to reduce incidents of homelessness. The CEHD membership collectively supports the DPWG recommendations.

The DPWG recommendations fall into five (5) categories: 1) process, 2) technology, 3) data, 4) data, training, and 5) resources. The process recommendations focus on the intake process. The DPWG recommends that information collected at intake be used to identify persons at the greatest risk of homelessness post – discharge. This process should be used to create a homeless – prevention discharge plan. The technology recommendation focuses on online housing search tools. These tools should allow discharge staff and clients themselves, to seek rental units that meet other criteria, such as on a bus line, accepting Section 8, or handicapped accessible, and provides landlord contract information. The data recommendation focuses on tracking predictors. State databases would begin to track homeless status, and other predicting data, both

aggregately and longitudinally. Discharge workers would use this information to target interventions to persons most at risk of homelessness. The training recommendation focuses on cross training between institutions and community agencies. The DPWG believes that cross – training opportunities between discharge workers and community agencies will improve working relationships leading to improved planning for exiting clients. The final DPWG recommendation focuses on federal resources. North Carolina should aggressively pursue all federal funding available for homelessness prevention connected to publicly funded streams. (NCICHP Discharge Planning, 2004)

On a local level, individual members of CEHD have already started the process of improving the discharge planning process in local institutions. Healing with CAARE, Inc. and AIDS Community Residence Association (ACRA) both are working closely with the local hospitals and persons who are homeless living with HIV/AIDS. Genesis Home is working with the Department of Social Service's Foster Care and Adoptive Services Department. Genesis Home is looking at ways to provide supportive services and shelter to young adults who are aging out of the foster care or adoptive services system. The emergency shelter located at Urban Ministries of Durham has a long history of working with John Umstead Hospital, a state hospital for those with mental illness located in Durham County. Triangle Residential Options for Substance Abusers (TROSA), J. Ruth, and Healing with CAARE, Inc. are all working with the Durham City and County Jail/Prison to work with persons being discharged from the local correctional facilities. It is anticipated that with a concentrated effort CEHD can build on these efforts and improve the overall discharge planning from these local institutions and prevent people from becoming homeless.

COMMUNITY DEVELOPMENT AND OTHER NEEDS

The City continues to support activities for the general development of neighborhoods and to improve the opportunities of the low-income population.

- Code Enforcement. The City will continue to support Code Enforcement activities with significant CDBG and General Fund dollars in order to stabilize neighborhoods and create a safe environment for residents. This program includes all quality of life ordinance enforcement activities such as minimum housing code, weedy lot, abandoned vehicle, junk and debris. The outcome of many of the efforts by Code Enforcement will be actions taken by the city to demolish unsafe, non-compliant structures and to clean-up weedy lots and abandoned/junked vehicles.

Services for the Underserved

According to Census 2000 figures, 8.9% of Durham's population is 65 and over. This group makes up 22% of all those in Durham who own and occupy their house. This

group represents almost 9% of those in Durham who are renters. Approximately 1,600 individuals live in nursing homes.

In 2006, the City amended its Housing Rehabilitation Program to give priority to the elderly and disabled. The program provides a deferred, forgivable loan amortized for up to 15 years for elderly and disabled owner-occupants located throughout the city whose income is at or below 50% of the area median to address a housing unit that has at least three severe conditions. The maximum amount per unit is \$35,000, but may exceed this amount for houses that meet prescribed special conditions.

Other Actions (24 CFR 91.220 (f)) – Institutional Structures and Delivery Systems

The City will continue to develop and enhance partnerships in the development of affordable housing. Construction is underway on the 32-unit Maplewood Apartments for seniors which is being developed by DHIC, Self Help and Durham Community Land Trustees. Part of the funding for this Low Income Housing Tax Credit (LIHTC) project is being provided by a pass-through grant from Duke University and HOME CHDO funding from the City of Durham. To make this project possible, extensive coordination among numerous City departments was required. Project components included a land donation by the City, the relocation of a City park (which also required federal approval), and an expedited street closing process.

The City also has partnerships in place with for-profit developers of rental housing, particularly those engaged in LIHTC projects. Currently, the renovation of the final 20-unit phase of Stewart Circle Apartments, formerly named Mutual Heights Apartments is underway and expected to be completed by June 2009.

The City of Durham and Durham County work closely together in support of the Continuum of Care and the implementation of the 10-Year Plan to End Homelessness.

MONITORING

The City of Durham's Department of Community Development is responsible for ensuring that the expenditure of HUD-awarded funds is done in compliance with all applicable laws and regulations. To achieve accountability and to ensure appropriate outcomes, all funds awarded or used by the Department are subject to an internal monitoring process. The goals of the monitoring process are:

1. To ensure that statutory and regulatory requirements are being met;
2. To ensure that financial record keeping and reporting is accurate and complete;
3. To ensure that programs are being implemented consistently with the Annual Action Plan and in accordance with the executed contract.

The City of Durham believes an effective monitoring program and strategy requires a partnership between the City, HUD and the subrecipient. This partnership begins with the initial project conference where City Staff meets with subrecipient project leaders to

discuss the particulars of the specific project and the applicable regulatory requirements. After the initial project meeting, a contract (or an MOU when funds are used by City agencies) is developed that reflects the agreed upon scope. The contract also specifies record keeping and financial monitoring requirements with which the subrecipient must comply. The City also assigns to each contract a project manager who has the responsibility of ensuring the project is completed as stated in the contract. Finally, City staff visits each project on a regular basis throughout the year, with at least one visit dedicated to a file review to ensure the project is being completed as required. Throughout this process, City staff has, and will continue, to communicate with HUD on issues where guidance is necessary.

In order to verify compliance with property standards and the information submitted by owners on tenant incomes, rents and other HOME rental requirements during a project period of affordability, HOME rules require on-site inspections of HOME properties according to the number of HOME units in a project as follows:

- 1-4 units: Every 3 years;
- 5-25 units: Every 2 years;
- 26 or more units: Annually.

Given the above timeframes, DCD will inspect between 15-20% of all HOME assisted units in a project.

Prior to on-site HOME rental monitoring, DCD will send a letter to each managing agency to inform them of the anticipated monitoring/inspection visit. DCD will complete tenant file review forms, use current income charts to depict calculations and indicate family size, use a fair market rent chart to depict the number of bedrooms and current rent versus HOME/Fair Market Rents and will maintain this information in a Rental Monitoring notebook until the end of the calendar year. DCD Project Managers and a Code Inspector will perform the visual inspections using HUD Housing Quality Standards Form for each inspection performed along with Minimum Housing Code Standards.

The reports will include the following: unit number, number of bedrooms, date tenant signed lease, tenant's name, number of tenants or family size, date of lease unit rent and re-certification rent (current rent), public housing authority or Section 8 subsidy, owner subsidy, tenant rent contribution, utilities, total tenant rent, maximum rent allowed for the income category the complex serves, gross annual income and re-certification date.

The HOME rental monitoring schedule for FY 2009-2010 is as follows:

FY 2009/2010

HOME RENTAL MONITORING SCHEDULE

DATE OF LAST MONITORING	DATE OF NEXT MONITORING	PROJECT NAME	NUMBER OF UNITS IN PROJECT	NUMBER OF UNITS MONITORED
April 12, 2006	April 13, 2009	PROCTOR STREET APARTMENTS	2	2
April 24, 2006	April 24, 2009	REBUILD DURHAM 1508 W. Club Blvd.	1	1
NEW	April 30, 2009	FRANKLIN VILLAGE APARTMENTS	83	20
NEW	May 7, 2009	CASA APARTMENTS 1115-1117 N. Buchanan Blvd.	4	4
May 12, 2008	May 12, 2009	UNDERWOOD APARTMENTS 811 Underwood Avenue	44	9
June 28, 2006	June 29, 2009	ReBuild Durham 2107 Concord Street	1	1
Sept. 9, 2006	Sept. 9, 2009	ReBuild Durham 2507 White Oak Avenue	1	1
October 1, 2006	October 1, 2009	ReBUILD DURHAM 1807 N. Alston Avenue	1	1
October 11, 2006	October 12, 2009	TROSA 1127 –1129 Roxboro Street	2	2
April 08, 2008	April 08, 2010	ANDOVER II 212 North Elizabeth Street	10	10
April 09, 2008	April 09, 2010	SHELTER FOR HOPE	20	4

		412 Liberty Street		
April 20, 2008	April 20, 2010	ROCKWOOD COTTAGES I Rock Cottage Court	20	4
June 15, 2007	June 15, 2010	ReBUILD DURHAM 2314 Curtis Street	1	1
July 01, 2007	July 01, 2010	WEHO II A 1307 Jackson Street	1	1
December 4, 2007	July 01, 2010	WEHO III-A 1304 Jackson Street	1	1
December 4, 2007	July 01, 2010	WEHO III-A 1031 Morehead Avenue	1	1
December 4, 2007	July 01, 2010	WEHO IV- A 1517 Chapel Hill Road	1	1
December 4, 2007	July 01, 2010	WEHO IV-A 1103 Proctor Street	1	1
December 4, 2007	July 01, 2010	WEHI IV-A 826 Kent Street	1	1
December 4, 2007	July 01, 2010	WEHO IV-A 828 Kent Street	1	1
December 4, 2007	July 01, 2010	WEHO IV-A 843 Estes Street	1	1
December 4, 2007	July 01, 2010	WEHO IV-A 806 Gerard Street	1	1
December 4, 2007	July 01, 2010	JACKSON PARK II 905 Rome Avenue	1	1
December 4, 2007	July 01, 2010	JACKSON PARK II 1006 Rock Street	1	1
December 4, 2007	July 01, 2010	JACKSON PARK II 1008 Rock Street	1	1
December 4, 2007	July 01, 2010	JACKSON PARK II 838 Kent Street	1	1
December 4, 2007	July 01, 2010	JACKSON PARK II 867 Estes Street	1	1

December 4, 2007	July 01, 2010	JACKSON PARK II 1504 Lakewood Avenue	1	1
April 10, 2008	April 11, 2011	TROSA 1511-1513 Roxboro Street	2	2
June 14, 2008	June 14, 2011	ReBuild Durham 2626 Ross Road	1	1
June 14, 2008	June 14, 2011	ReBuild Durham 2521 Kirby Street	1	1
July 19, 2008	July 19, 2011	ReBuild Durham 110 Chestnut St.	1	1
August 5, 2008	August 5, 2011	ReBuild Durham 2534 S. Alston Avenue	1	1
August 5, 2008	August 5, 2011	ReBuild Durham 2919 Chapel Hill Road	1	1
October 2, 2008	October 3, 2011	ReBuild Durham 1302 Castle Bay	1	1
October 11, 2008	October 11, 2011	ReBuild Durham 1408 Bacon Street	1	1
May 23, 2008	Nov. 16, 2011	ReBuild Durham 1126 Delano Street	1	1

The City will continue to implement processes to encourage continued, long-term compliance with all appropriate regulations. Most recently, at HUD's request, DCD has implemented a review of all CDBG activities and the completion of HUD provided checklists to ensure eligibility compliance.

PERFORMANCE MEASUREMENT

In March 2006, HUD issued the "Notice of Outcome Performance Measurement System for Community Planning and Development Formula Grant Programs." This notice institutes a performance measurement and reporting system that the City of Durham began implementing with the FY 2006-2007 Annual Action Plan. The HUD Outcome Measurement System includes Objectives, Outcome Measures and Indicators. In this system, there are three objectives, three outcomes and one indicator. The City must choose one of the three objectives for each activity.

Objectives include:

1. **Suitable Living Environment.** Relates to activities that are designed to benefit communities or groups of families by addressing issues in their living environment.
2. **Decent Housing.** Activities that fall under this objective are designed to cover the wide range of housing possible under HOME, CDBG or ESG. This objective focuses on housing programs where the purpose of the program is to meet individual family or community needs and not programs where housing is an element of a larger effort.
3. **Creating Economic Opportunities.** Applies to the types of activities related to economic development, commercial revitalization, or job creation.

Once an Objective is chosen, the City then chooses which of the three Outcome categories best reflects what is to be achieved by funding the activity. The three Outcome categories are:

1. **Availability/Accessibility.** Applies to activities that make service, infrastructure, public services, public facilities, housing, or shelter available or accessible to low-and moderate-income people.
2. **Affordability.** Applies to activities that provide affordability in a variety of ways in the lives of low-and moderate-income people. It can include the creation or maintenance of affordable housing, basic infrastructure hook-ups, or services such as transportation or day care.
3. **Sustainability. Promoting Livable or Viable Communities.** Applies to activities aimed at improving communities or neighborhoods, helping to make them livable or viable by providing benefit to low- and moderate-income or by removing or eliminating slums or blighted areas, through multiple activities or services that sustain communities or neighborhoods.

Allocation of 2009-2010 CDBG Funds

HUD Allocation	\$1,900,004
Est. Program Income	195,000
Total	\$2,095,004
Recipient/Project	Award
Urban Ministries of Durham - Community Kitchen	\$25,000
Durham Interfaith Hospitality Network - Case Management	\$72,584
Durham Affordable Housing Coalition - Volunteer Repair Program	\$80,000
Durham Affordable Housing Coalition - Housing Counseling	60,000
Durham County Criminal Justice Resource Center - Project Restore	\$72,558
Operation Breakthrough - Weatherization	\$40,000
Self Help - Interest Rate Buydowns	\$60,000
Neighborhood Improvement Services - Code Enforcement	\$451,170
Department of Community Development - Target Area Acquisition	150,000
Department of Community Development - Target Area Clearance	\$30,000
Department of Community Development – Relocation	\$15,000
Department of Community Development - Housing Rehabilitation Program	\$169,332
Department of Community Development- Homeownership Program	\$100,000
Department of Community Development - Urgent Repair Program	\$200,000
Department of Community Development – Infrastructure	\$150,000
Department of Community Development - Individual Development Account Program	\$20,000
Department of Community Development – Administration	\$399,360

Allocation of 2009-2010 HOME Funds

HUD Allocation	\$1,246,000
Est. Program Income	250,000
ADDI	12,377
Total	\$1,496,000
Recipient/Project	Award
Self Help – SWCD Revitalization	\$116,500
Metropolitan Housing and CDC, Inc.- Franklin Village	\$350,000
Builders of Hope, Inc. – SWCD Revitalization	\$145,500
Durham County Habitat for Humanity – SWCD Acquisition/Demolition	\$184,000
Department of Community Development – Acquisition	\$100,000
Department of Community Development – Homeownership Program	\$160,739
Department of Community Development – Housing Rehabilitation Program	\$300,000
Department of Community Development – Administration	\$139,261

FY 2009-2010 Allocation of ESG Funds

HUD Allocation	\$84,684
Recipient/Project	Award
Housing for New Hope - Essential Services	\$24,484
Urban Ministries of Durham - Operational Support	\$30,482
Durham Crisis Response Center - Operational Support	\$25,484
Department of Community Development – Administration	\$4,234

Listing of Proposed Projects

Award: \$25,000
Source: CDBG
Recipient: Urban Ministries of Durham (UMD)
Project: Public Service
Eligibility: Low/Mod Limited Clientele - 570.208 (a)(2)
Matrix Code: 05
Regulation Citation: 570.201(e)
Objective: Suitable Living Environment
Outcome: Availability/Accessibility

Project Description: Funding to support the operation of a community kitchen which provides three daily meals, seven days a week to assist Durham's homeless, hungry and needy citizens. UMD proposes to assist 6,500 people.

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Award: \$72,584
Source: CDBG
Recipient: Durham Interfaith Hospitality Network (DIHN)
Project: Public Service
Eligibility: Low/Mod Limited Clientele - 570.208 (a)(2)
Matrix Code: 05
Regulation Citation: 570.201(e)
Objective: Suitable Living Environment
Outcome: Availability/Accessibility

Project Description: Funding will allow DIHN to improve its quality of case management by hiring a Case Manager and to assist with operational costs.

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Award: \$80,000
Source: CDBG
Recipient: Durham Affordable Housing Coalition
Project: Housing Rehabilitation
Eligibility: Low/Mod Housing Benefit – 570.208(a)(3)
Matrix Code: 14A
Regulation Citation: 570.202
Objective: Decent Housing
Outcome: Affordability

Project Description: Funding to purchase materials and supplies associated with repairs undertaken by volunteers, including World Changers and other youth programs.

Listing of Proposed Projects

Award: \$60,000
Source: CDBG
Recipient: Durham Affordable Housing Coalition (DAHC)
Project: Public Service
Eligibility: Low/Mod Limited Clientele - 570.208 (a)(2)
Matrix Code: 05U
Regulation Citation: 570.201(e)
Objective: Decent Housing
Outcome: Availability/Accessibility

Project Description: Funding to provide homeownership, foreclosure prevention and default/delinquency counseling to approximately 111 homebuyers or potential homebuyers.

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Award: \$72,558
Source: CDBG
Recipient: Durham County Criminal Justice Resource Center
Project: Public Service
Eligibility: Low/Mod Limited Clientele - 570.208 (a)(2)
Matrix Code: 05H
Regulation Citation: 570.201(e)
Objective: Suitable Living Environment
Outcome: Availability/Accessibility

Project Description: Funding to support Project Restore, which is a comprehensive vocational training course that provides programming to assist ex-offenders in rebuilding their lives.

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Award: \$40,000
Source: CDBG
Recipient: Operation Breakthrough
Project: Housing Rehabilitation
Eligibility: Low/Mod Housing Benefit – 570.208(a)(3)
Matrix Code: 14F
Regulation Citation: 570.202
Objective: Decent Housing
Outcome: Affordability

Project Description: Funding will allow for weatherization and energy efficiency improvements to homes owned and occupied by elderly or disabled households.

Listing of Proposed Projects

Award: \$60,000
Source: CDBG
Recipient: Self Help
Project: Interest Rate Buydowns
Eligibility: Low/Mod Housing Benefit - 570.208(a)(3)
Matrix Code: 13
Regulation Citation: 570.201(n)
Objective: Decent Housing
Outcome: Affordability

Project Description: Funding to buydown interest rates by making 3 or more fixed rate mortgages available to first-time homebuyers. If additional funds are needed during the year, funds available for reallocation will be considered.

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Award: \$451,170
Source: CDBG
Recipient: Department of Community Development
Project: Code Enforcement
Eligibility: Low/Mod Area Benefit - 570.208 (a)(1)
Matrix Code: 15
Regulation Citation: 570.202(c)
Objective: Suitable Living Environment
Outcome: Sustainability

Project Description: Funding to support code enforcement in low and moderate-income neighborhoods.

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Award: \$150,000
Source: CDBG
Recipient: Department of Community Development
Project: Acquisition
Eligibility: Low/Mod Area Benefit – 570.208(a)(1)
Matrix Code: 01
Regulation Citation: 570.201(a)
Objective: Suitable Living Environment
Outcome: Sustainability

Project Description: Funds to purchase blighting or unsafe properties in Southside, NECD or SWCD, and to support the Neighborhood Stabilization Program.

Listing of Proposed Projects

Award: \$30,000
Source: CDBG
Recipient: Department of Community Development
Project: Clearance and Demolition
Eligibility: Low/Mod Area Benefit - 570.208(a)(1)
Matrix Code: 04
Regulation Citation: 570.201(d)
Objective: Suitable Living Environment
Outcome: Sustainability

Project Description: Funding to clear acquired properties.

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Award: \$15,000
Source: CDBG
Recipient: Department of Community Development
Project: Relocation
Eligibility: Low/Mod Limited Clientele – 570.208(a)(2)
Matrix Code: 08
Regulation Citation: 570.201(1)
Objective: Decent Housing
Outcome: Affordability

Project Description: Funds to relocate tenants from dilapidated or unsafe properties being acquired.

.....

Award: \$169,332
Source: CDBG
Recipient: Department of Community Development
Project: Housing Rehabilitation
Eligibility: Low/Mod Housing Benefit – 570.208(a)(1)
Matrix Code: 14A
Regulation Citation: 570.202
Objective: Decent Housing
Outcome: Affordability

Project Description: City administered housing rehabilitation program primarily assisting elderly or disabled homeowners whose homes have three or more conditions, which pose an imminent threat to health and safety.

Listing of Proposed Projects

Award: \$100,000
Source: CDBG
Recipient: Department of Community Development
Project: Direct Homeownership Assistance
National Objective: Low/Mod Housing Benefit – 570.208(a)(1)
Matrix Code: 13
Regulation Citation: 570.201(n)
Objective: Decent Housing
Outcome: Affordability

Project Description: Partial funding for the City’s administered program, generally consisting of \$20,000 second mortgage loans at 2%.

.....

Award: \$200,000
Source: CDBG
Recipient: Department of Community Development
Project: Housing Rehabilitation/Urgent Repair
Eligibility: Low/Mod Housing Benefit -570.208(a)(1)
Matrix Code: 14A
Regulation Citation: 570.202
Objective: Decent Housing
Outcome: Affordability

Project Description: Funding to assist approximately 24 elderly or disabled homeowners with the correction of conditions, which pose an imminent threat to health or safety.

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Award: \$150,000
Source: CDBG
Recipient: Department of Community Development
Project: Infrastructure-Street Improvement
Eligibility: Low/Mod Area Benefit – 570.208(a)(1)
Matrix Code: 03K
Regulation Citation: 570.201(c)
Objective: Suitable Living Environment
Outcome: Sustainability

Project Description: Funds to assist primarily with streetscapes in support of the Neighborhood Stabilization Program.

Listing of Proposed Projects

Award: \$20,000
Source: CDBG
Recipient: Department of Community Development
Project: Individual Development Account Program
Eligibility: Low/Mod Limited Clientele - 570.208(a)(2)
Matrix Code: 13
Regulation Citation: 570.201(n)
Objective: Decent Housing
Outcome: Affordability

Project Description: City administered savings program for down payment assistance. The individual's savings will receive City match funds.

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Award: \$399,360
Source: CDBG
Recipient: Department of Community Development
Project: General Program Administration
Eligibility: N/A
Matrix Code: 21A
Regulation Citation: 570.206
Objective: N/A
Outcome: N/A

Project Description: Partial funding of staff salaries. Up to 20% of CDBG entitlement amount and projected income may be used for administration.

.....

Award: \$116,500
Source: HOME
Recipient: Self Help
Project: Acquisition
Eligibility: 92.2
Matrix Code: 01
Regulation Citation: N/A
Objective: Decent Housing
Outcome: Affordability

Project Description: Funding to acquire four lots to provide affordable housing for four families that are first-time homebuyers.

Listing of Proposed Projects

Award: \$350,000
Source: HOME
Recipient: Metropolitan Housing and CDC, Inc.
Project: Construction of Housing
Eligibility: 92.2
Matrix Code: 12
Regulation Citation: N/A
Objective: Decent Housing
Outcome: Affordability

Project Description: Funding to support the construction of approximately 8 units of housing in the price range of \$110,000 to \$131,000. The homes are projected to range in size from 1200 to 1456 square feet. This project is a part of a joint effort with the Durham's Housing Authority's homeownership component of HOPE VI.

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Award: \$145,500
Source: HOME
Recipient: Builders of Hope, Inc.
Project: Housing Rehabilitation
Eligibility: 92.2
Matrix Code: 14A
Regulation Citation: NA
Objective: Decent Housing
Outcome: Affordability

Project Description: Funding to offset rehabilitation and construction cost for five properties located in Southwest Central Durham.

.....

Award: \$184,000
Source: HOME
Recipient: Durham County Habitat for Humanity
Project: Acquisition/Demolition
Eligibility: 92.2
Matrix Code: 01
Regulation Citation: N/A
Objective: Decent Housing
Outcome: Affordability

Project Description: Funding for the acquisition and associated demolition of five lots in the West End.

Listing of Proposed Projects

Award: \$100,000
Source: HOME
Recipient: Department of Community Development
Project: Acquisition
Eligibility: 92.2
Matrix Code: 01
Regulation Citation: N/A
Objective: Decent Housing
Outcome: Affordability

Project Description: Funding for acquisition of properties in support of the Neighborhood Stabilization Program.

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Award: \$160,739
Source: HOME
Recipient: Department of Community Development
Project: Direct Homeownership Assistance
Eligibility: 92.2
Matrix Code: 13
Regulation Citation: N/A
Objective: Decent Housing
Outcome: Affordability

Project Description: Partial funding for the City's administered program, generally consisting of \$20,000 second mortgage loans at 2%. Funding includes \$12,377 in ADDI funds.

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Award: \$300,000
Source: HOME
Recipient: Department of Community Development
Project: Housing Rehabilitation/Urgent Repair
Eligibility: 92.2
Matrix Code: 14A
Regulation Citation: NA
Objective: Decent Housing
Outcome: Affordability

Project Description: City administered housing rehabilitation program primarily assisting elderly or disabled homeowners whose homes have three or more conditions, which pose an imminent threat to health and safety.

Listing of Proposed Projects

Award: \$139,261
Source: HOME
Recipient: Department of Community Development
Project: General Program Administration
Eligibility: 92.2
Matrix Code: 21A
Regulation Citation: N/A
Objective: N/A
Outcome: N/A

Project Description: Partial funding of staff salaries. Up to 10% of HOME entitlement amount and projected income may be used for administration.

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Award: \$24,484
Source: ESG
Recipient: Housing for New Hope (HNH)
Project: Essential Services
Eligibility: 576
Matrix Code: 05
Regulation Citation: N/A
Objective: Suitable Living Environment
Outcome: Availability/Accessibility

Project Description: Funding to hire an Employment Specialist. HNH serves families, disabled adults, and the elderly who are at imminent risk of becoming homeless by providing short-term assistance. HFN proposes to assist 20 men through its newly created employment services.

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Award: \$30,482
Source: ESG
Recipient: Urban Ministries of Durham
Project: Operational Support
Eligibility: 576
Matrix Code: 03T
Regulation Citation: N/A
Objective: Suitable Living Environment
Outcome: Availability/Accessibility

Project Description: Operating support for emergency homeless shelter, which provides 80 beds for men, 26 beds for women and 9 rooms with private baths for homeless families.

Listing of Proposed Projects

Award: \$25,484
Source: ESG
Recipient: Durham Crisis Response Center (DCRC)
Project: Operational Support
Eligibility: 576
Matrix Code: 03T
Regulation Citation: N/A
Objective: Suitable Living Environment
Outcome: Availability/Accessibility

Project Description: Funding for operational support. DCRC provides on a 24-hour basis emergency shelter and advocacy services exclusively to survivors of domestic and sexual violence.

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Award: \$4,234
Source: ESG
Recipient: Department of Community Development
Project: General Program Administration
Eligibility: 576
Matrix Code: 21A
Regulation Citation: N/A
Objective: N/A
Outcome: N/A

Project Description: Partial funding of staff salaries. Up to 5% of ESG entitlement amount may be used for administration.

APPENDIX A

Citizen Comments

**Public Comments at “Needs” Public Hearing
Wednesday, January 21, 2009 at 7:00 P.M.
Durham City Council
(Excerpts from Approved Minutes)**

Assistant Director of Community Development Larry Jarvis outlined the purpose of this item. He stated prior to submitting the annual action plan to HUD in May there must be two public hearings and tonight is the first public hearing for public comments on needs and priorities in the community that might be addressed with federal funding.

Mayor Bell opened the public hearing.

Mayor Pro Tempore Cole-McFadden asked staff is someone tracking expenditures for implementing the 10-year plan to end homelessness.

Larry Jarvis, of Community Development, reported the implementation of the ten-year plan is a priority and each year staff attempts to fund projects with federal and other funding that will help implement that effort. He stated staff will put together a summary of what has been spent or committed over the past three years towards implementation and come back with a report.

Council Member Clement made comments on the plan to end homelessness and requested that this issue be discussed at the Joint City/County Committee meeting scheduled for March.

Council Member Clement made comments regarding the grant recently received by Victoria Peterson regarding a program for ex-offenders. He asked Ms. Peterson to keep the City informed regarding the implementation of that program.

Lorisa Seibel, of the Durham Affordable Housing Coalition, made comments on the community development block grant funding. She asked that the housing inspection staff be funded from the regular city budget to free up those housing and community development funds from the federal government for affordable housing, renewing neighborhoods, creating jobs for neighborhood residents and training youth. Also, she discussed the Youth Building program.

Mayor Bell closed the public hearing.

MOTION by Mayor Pro Tempore Cole-McFadden seconded by Council Member Ali to receive public comments on the FY 2009-2010 Annual Action Plan “Needs” was approved at 7:38 p.m. by the following vote: Ayes: Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Ali, Brown, Catotti, Clement and Woodard. Noes: None. Absent: None.

**Public Comments at “Needs” Public Hearing
Monday, January 26, 2009 at 7:00 P.M.
Board of County Commissioners
(Excerpts from Approved Minutes)**

Mike Barros, Director of the City of Durham Department of Community Development, stated that as an entitlement city (population of 55,000+), Durham has been the recipient of CDBG (Community Development Block Grant) funds since 1975 and HOME Consortium funds since 1992. CDBG funds have primarily been used for housing activities, public services, code enforcement, and public infrastructure. HOME Consortium funds have been used for affordable housing activities as required by HOME program regulations. Durham has also been a recipient of Emergency Shelter Grant (ESG) funds from HUD (U.S. Department of Housing and Urban Development), which have been used to provide assistance to individuals and households who are homeless or at risk of becoming homeless. He stated that the Citizen Participation Plan contained in the adopted 2005-2010 Consolidated Plan requires that two public hearings be held prior to the submission of the Annual Action Plan to HUD. The purpose of the first public hearing is to receive citizen comments on housing and community development needs. The purpose of the second public hearing is to receive citizen comments on the draft Annual Action Plan, which specifies the allocation of CDBG, HOME, and ESG funds. The City of Durham held its “Needs” public hearing on January 20, 2009. The Annual Action Plan is Durham’s application to the U.S. Department of Housing and Urban Development for the upcoming fiscal year’s funding and outlines the action Durham is taking with HUD-awarded funds to meet the goals as described in the 2005-2010 Five-Year Consolidated Plan. Comments received from the “Needs” public hearing will be incorporated into the draft FY 2009-2010 Annual Action Plan, which will be presented to the Board of County Commissioners for adoption in April 2009.

Commissioner Heron asked about last year’s home repairs and rent subsidies given to residents outside the City limits using HOME funds.

Mr. Barros responded that the repairs, totaling \$50,000, were done to one home because of safety hazards. The loan is forgiven by 1/15 per year; no repayment or interest must be made provided the homeowner lives in the home for an additional 15 years. HOME funds, which may be used within the County (outside the City limits), total \$250,000; however, these funds are not exclusive to the County. The money is spent on a first-come qualification basis.

Mr. Barros stated that current limitations are that recipients must be elderly or handicapped. He spoke about the two-year waiting list. Applicants’ circumstances are evaluated to determine health situations, hazardous situations, or situations that will lead to further deterioration of the house (example—leaking roof). Health threatening situations move to the front of the list.

Mr. Barros restated for Commissioner Heron that the total amount of funds which can be used outside the City limits is \$250,000 per year.

Commissioner Bowser asked if the waiting list includes residents outside the City and if the waiting list is considered each year prior to considering new applicants.

Mr. Barros responded that City applications and non-City (County) applications are treated the same. Triage is done on the waiting list to determine people with the greatest needs. The two programs involve major rehabilitation and minor rehabilitation (emergency grants [broken heaters, etc.]). Only a small portion of the money is used for minor rehabilitation.

Commissioner Heron asked for an explanation as to why the HOME funds are not used entirely outside the City limits (within the County).

Mr. Barros replied that the HOME program is the only entitlement that can be used outside the City (within the County), but it is not used exclusively for homes in the County.

Commissioner Heron requested that the HOME program be promoted, especially to residents in Bahama, Rougemont, and the southern and eastern areas of the County.

Mr. Barros stated that the staff is evaluating how to advertise the programs. Currently, no marketing strategies are in place.

Commissioner Heron recommended that the program be advertised through the churches to alert citizens that the money is available if they qualify.

Mr. Barros thanked Commissioner Heron for her suggestion. He stated that he would request Commissioner input via the County Manager regarding advertising methods. Once a decision is made, the Commissioners would be informed of the advertising process.

Vice-Chairman Reckhow opened the public hearing that was properly advertised.

Vice-Chairman Reckhow recognized Dr. E. Lavonia Allison, representing Durham Citizens for the Affairs of Black People, 1315 McLaurin Avenue, Durham 27707, for comments.

Dr. Allison expressed concern about the economic instability that homeowners are suffering in terms of foreclosures. She requested a report detailing administrative costs, operational costs, and Durham's achievements from the use of the CDBG, HOME, and ESG funds.

Vice-Chairman informed Dr. Allison that this public hearing is an initial scoping meeting. More background would be available at the next public hearing.

Mr. Barros commented that a CAPER would be done at the end of the action plan; the CAPER is posted on the website by each year during the five-year plan. A major concern is that Durham does not have as high a home ownership as cities of equal size. Most of the communities in Durham have home ownership far less than 70%, which puts Durham at risk. The program had 42 new homeowners last year and hopes to have more this year. Housing counseling is provided to homeowners.

Vice-Chairman Reckhow asked for a brief update regarding the counseling.

Mr. Barros stated that a Neighborhood Stabilization Program application is being prepared to be sent to the State. The City has the opportunity to receive approximately \$5 million. Part of the application is to analyze the foreclosures in the community. The good news is that the foreclosures are typically scattered; the clusters are in the lower-income neighborhoods. Typically, when houses are foreclosed, investors buy the homes, which decreases homeownership opportunities. The counseling is making some difference; however, the lending industry in general is not as tolerant as it used to be. Mr. Barros stated that his department has an award winning partnership with realtors; the realtors, in turn, have good relationships with the lenders.

Vice-Chairman Reckhow closed the public hearing and referred the matter back before the Board.

Mr. Barros stated that the action plan would be presented in April. He would be contacting the County Manager about advertising ideas from the Commissioners.

**Public Comments at Public Hearing
On Draft FY 2009-2010 Annual Action Plan
Monday, April 6, 2009 at 7:00 P.M.
Durham City Council
(Excerpts from Approved Minutes)**

Mike Barros, Director of Community Development, made comments on this item and announced there were several members of the Citizens Advisory Committee present tonight.

Wilmur Conyers, Federal Grants Coordinator, outlined the purpose of this item stating this is a federal requirement in order to receive the anticipated funds that the City expects to receive. The City is required to have two public hearings--the first hearing was held in January and tonight will mark the second public hearing. She reported the City has not yet been advised of the anticipated amounts they will receive for FY 2009-10 and HUD has given the guidance to use the existing allocations for FY 2008 and 2009. She stated the plan would be approved at the May 4, 2009 City Council Meeting and at the May 11, 2009 Board of County Commissioners Meeting. Also, she noted Attachment A of the staff report will be presented to the Partners Against Crime [PACs] this month and the plan has to be submitted to HUD no later than May 15, 2009.

Mayor Bell opened the public hearing.

Stella Adams reminded Council of their duty to further fair housing and to use Section 3 requirements of the Housing and Urban Development Act to ensure that local, low and moderate income persons have the ability to gain employment from these funds and that contractors hired to do the work will have this Section 3 duty to hire local, low and moderate income persons to participate and market these programs.

Beart Truitt-Braswell, a member of the Citizens Advisory Committee, expressed concern with this item commenting on the boarded up houses in the community.

Delvin Davis, Vice Chair of Citizens Advisory Committee [CAC], commented on their recommendations of HUD funding for the Annual Action Plan. He stated CAC is not recommending a 10% decrease in the amount of code enforcement funding from CDBG funds and is in support of the department funding public service oriented organizations--i.e. Urban Ministries; Durham Inter-Faith Hospitality Network at their recommended level. Also, he commented on Project Restore's concerns relative to recordkeeping and the program. He stated CAC made a recommendation to staff that they revisit the matter of their funding and at the meeting held on March 23, 2009, CAC and Community Development came to an agreement on all funding recommendations. He reported CAC is in complete agreement with the Community Development Department and its recommendations.

Mayor Pro Tempore Cole-McFadden asked Mr. Davis if CAC is supporting the agenda

item including the Criminal Justice Center.

Delvin Davis replied yes.

Mayor Pro Tempore Cole-McFadden asked staff what adjustments were made relative to Project Restore.

Community Development Director Mike Barros stated the original recommendations did not recommend funding for Project Restore this year. After discussions with CAC and Project Restore staff, the application was placed back in at their requested amount.

Isaiah Chavis expressed concern that the City does not address the issues of the urban area/inner-city. He stated he does not support anything the Durham City Council does for Durham at all.

Mayor Bell thanked Mr. Chavis for sharing his thoughts and invited Mr. Chavis to meet with him to discuss his issues of concern.

Mayor Pro Tempore Cole-McFadden stated she would like to meet with Mr. Chavis regarding what the Youth Commission is doing in the city.

Victoria Peterson stated she is requesting the Housing Department to take a look at the young people aging out of the foster care system. Also, she stated affordable housing is needed for these people coming out of the system as well as persons 19-25 years old.

Mayor Bell closed the public hearing.

Mayor Pro Tempore Cole-McFadden stated she is concerned about reaching the goals for the 10- year plan to end homelessness in Durham. She asked staff is technical assistance being provided to organizations that don't have a clear description of their program.

Community Development Director Mike Barros replied yes.

Council held discussion on target area acquisition and clearance funds and World Changers.

Mayor Pro Tempore Cole-McFadden stated she would like to see more funding given to local organizations to work with the youth and asked staff to revisit the funding given to a Raleigh organization - - CASA.

Mike Barros explained the program established by the Durham Affordable Housing Coalition [DAHHC] for youth within this community and stated he will be meeting with them to discuss how to expand this effort.

Mayor Bell stated this is the second public hearing and the final plan is scheduled to be adopted on May 4, 2009.

Council Member Catotti asked staff to address how this item corresponds to Agenda Item #29 on the April 9 City Council Work Session agenda to set a public hearing on the amendments.

Larry Jarvis, of the Community Development Department, stated the amendments have to do with stimulus monies that the City will be receiving, additional CDBG funds and the homelessness provision funds that will allow the City to amend the current year's Annual Action Plan in order to receive those funds.

MOTION by Council Member Clement seconded by Mayor Pro Tempore Cole-McFadden to receive public comments on the Draft FY 2009-2010 Annual Action Plan for the use of CDBG, HOME and ESG funds was approved at 7:51 p.m. by the following vote: Ayes: Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Ali, Brown, Catotti, Clement and Woodard. Noes: None. Absent: None.

Relative to the stimulus funding, Mayor Bell announced the City Council will make the final determination on how the stimulus money will be spent. He stated Council has not seen the plan of action and once they see it, they will determine how these funds will be spent.

**Public Comments at Public Hearing
Monday, April 13, 2009 at 7:00 P.M.
Board of County Commissioners
(Excerpts from Approved Minutes)**

Larry Jarvis, Assistant Director, City of Durham Department of Community Development, reported that the Citizen Participation Plan contained in the adopted 2005-2010 Consolidated Plan requires that two public hearings be held prior to the submission of the Annual Action Plan to the U.S. Department of Housing and Urban Development (HUD). He stated that the purpose of the first public hearing is to receive citizen comments on housing and community development needs; the public hearing was held on January 26, 2009. The purpose of the second public hearing is to receive citizen comments on the City's Draft Annual Action Plan, which specifies the allocation of CDBG, HOME, and ESG funds. Of these three allocations, only HOME funds may be used outside of the corporate city limits.

The Annual Action Plan is Durham's application to the U.S. Department of Housing and Urban Development for the upcoming fiscal year's funding and outlines the actions Durham is taking with HUD-awarded funds to meet the goals as described in the 2005-2010 Five Year Consolidated Plan. HUD regulations require that the City submit the Council-approved Annual Action Plan by May 15. Department of Community Development is requesting that the Commissioners to approve the Annual Action Plan.

Commissioner Heron requested an accounting of how the HOME funds are utilized.

Commissioner Bowser asked Mr. Jarvis to consider increasing the recommended funding (\$40,000) for Operation Breakthrough; Operation Breakthrough received \$75,000 last year and requested \$100,000 this year.

Mr. Jarvis explained that the recommended funding is less than last year's due to the anticipated stimulus funding to be received by Operation Breakthrough.

Vice-Chairman Reckhow inquired about the amount of the stimulus funds for Operation Breakthrough.

Mr. Jarvis stated that he had no knowledge of the amount.

Commissioner Bowser emphasized that Operation Breakthrough needs the additional funds.

Commissioner Heron inquired about funds to be allocated from the HUD Emergency Shelter Grant.

Mr. Jarvis responded that \$84,000 would be received.

Per a question posed by Commissioner Howerton, Mr. Jarvis explained the recommended funding (\$25,000) for Urban Ministries.

Chairman Page asked about funds for Neighborhood Improvement Services.

Commissioner Heron asked about applying for HOME funds.

Chairman Page opened the public hearing that was properly advertised. He called signed speaker Donald Hughes, PO Box 52598, Durham 27717 forward for comments.

Mr. Hughes suggested including opportunities to incorporate vocational and technical education and training in the FY09-10 Annual Action Plan.

Chairman Page closed the public hearing and referred the matter back to the Board.

Vice-Chairman Reckhow concurred with Mr. Hughes' comments regarding inclusion of vocational and technical education and training in the Annual Action Plan. She indicated that Project Restore, a Criminal Justice Resource Center initiative that teaches construction skills to newly released offenders, received funding from the City; however, such a resource could be expanded.

Commissioner Bowser echoed Vice-Chairman Reckhow's comments.

APPENDIX B

Certifications

- Non-State Government Certifications
- Specific CDBG Certifications
- Optional Certification: CDBG—Not Applicable
- Specific Home Certifications
- HOPWA Certifications—Not Applicable
- ESG Certifications
- Appendix to Certifications

Applications for Federal Assistance

- SF 424 CDBG
- SF 424 HOME
- SF 424 ESG